



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

April 28, 2006

THE ADMINISTRATOR

The Honorable M. Jodi Rell
Office of the Governor
210 Capitol Avenue
Hartford, Connecticut 06106

Dear Governor Rell:

In a letter sent a few days ago, I noted that the President has directed me to convene a task force of Governors on boutique fuels. Today, I want to describe my plans for this boutique fuels task force and to invite your participation in this effort.

As the President stated on April 25, we need to “confront the larger problem of too many localized fuel blends,” and simplify the nation’s fuel system. My goal is to quickly commence this task force and work to improve our nation’s fuel supply system for the benefit of our citizens and our country. Working together we can seek solutions to maintain important environmental protections while enhancing the flexibility and fungibility of the fuel supply and distribution system.

The task force will assess varying state and local fuel requirements and their effect on the supply, quality, price, and air quality impacts of fuels. In the coming weeks, the task force will provide the President with options on possible changes to our Nation’s fuel supply system. These options will meet his overall goal of simplifying and unifying our system of fuel regulation and increasing cooperation among states on gasoline supply decisions.

As required by the Energy Policy Act of 2005, EPA is moving forward to address boutique fuels. In the next few weeks, I will sign a measure that places a “cap” on the number of boutique fuels, which is an important step in addressing the needs of our current fuel system.

Our country’s system of federal regulatory standards for fuel and fuel additives has evolved over many years through the operation of Clean Air Act (CAA) provisions designed to reduce emissions from motor vehicles. The CAA grants EPA general authority to establish fuel standards that have national applicability, including our important efforts to establish and implement new sulfur standards for gasoline and on-road and off-road diesel. The CAA is also the basis for other specific formulaic or performance-based fuel standards, such as seasonal controls on gasoline volatility. In addition, Congress established specific CAA fuel programs like the Reformulated Gasoline program and the wintertime oxygenates program. Under the

provisions of the CAA, these programs are mandatory for certain areas; other areas may "opt into" the program.

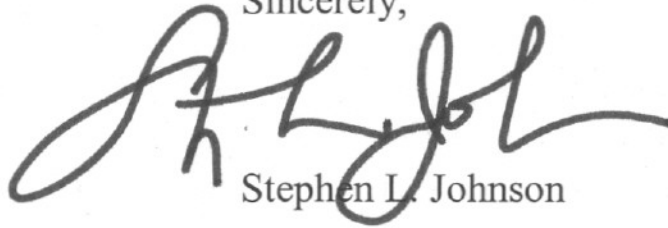
In addition to these fuel control measures, states have chosen to implement programs with special fuels designed to meet local air quality issues that vary from federal standards. Such individual state fuels must meet the relevant statutory criteria provided for in the CAA and be approved by EPA. These state fuels have often been called "boutique fuels" since they vary from prevailing federal standards and are only required to be sold in defined geographical areas.

Controls on emissions from motor fuel combustion serve an important role in attaining federal clean air standards, in particular the National Ambient Air Quality Standards for ozone and particulate matter. However, the variety of requirements and standards related to fuel has complicated the fuel production and distribution system.

This teleconference will take place on Thursday, May 4, from 4:30 to 5:30 p.m. EDT. In order to join this teleconference, please RSVP by close of business Tuesday, May 2 to Cynthia Bowie at 202-564-5200.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "S. L. Johnson", with a stylized, flowing script.

Stephen L. Johnson